The World Bank have suggested some changes in the design and content of the project to meet the objective of alleviating poverty in the State. These suggestions have been communicated to the State Government.

MR. CHAIRMAN: Question Hour is over.

WRITTEN ANSWERS TO QUESTIONS

Concessions to Bank Customers in Jammu and Kashmir

*285. SHRI V. HANUMANTHA RAO:

DR. SHRIKANT RAMACHANDRA JICHKAR:

Will the Minister of FINANCE be pleased to state:

(a) what is the total amount involved in giving concessions to customers by commercial banks in Jammu and Kashmir as advised by RBI in Apdil, 1990;

(b) whether there are complaints of misuse of these concesions; and

(c) whether any enquiry has been made into the complaints of misuse of concessions?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) Banks have been extending various relexations|concesions to borrowers in the State of Jammu and Kashmir in pursuance to the instructions issued by Reserve Bank of India (RBI) in April-May, 1990 in this regard to relaxations|concessions was reviewed by RBI and revised guidelines were circulated by them on 18.6.1992 to all scheduled commercial banks. The sailent features of the same are indicated in the Statement (*See* below). These relaxations|concessions are operative upto 31.3.1994. The information regarding the advances sanctioned in Jammu and Kashmir pursuant to RBI instructions is being collected and to the extent available will be laid on the Table of the House.

(b) and (c) The banks take measures to ensure that the credit facilities extended to the borrowers are utilised for the stated purposes. Accordingly, the banks take appropriate caution while disbursing loans, conducting pre-sanction scrutiny and appraisals and post-sanction inspections periodically during the currency of the loan. Any complaints of misutilisation of the loans are investigated by the banks and appropriate action is taken by them to deal with such cases.

Statement

Salient features of revised guidelines on relaxations/concessions to trade and industry in Jammu & Kashmir

(i) Increased working capital facilities may be sanctioned by way of relaxation in prescribed/standardised norms for inventory and receivable by a maximum of 50 per cent depending on the merits of each case. For small borrowers in the unorganised sector, for whom no norms for inventory and receivables have been specified, relaxation upto a maximum of 50 per cent of the norms accepted for last sanction may also be allowed depending on merits.

(ii) All borrowal accounts, irrespective of whether adhoc facilities were sanctioned in the past or not, would be subjected to review by the concerned banks within a period of three months and need based increased working capital facilities may be sanctioned to borrowers without delay.

(iii) The ceiling on margin for calculation of drawing power against commodities, not covered by Selective Credit Control directives, will be 15 per cent. The margin for

finance against bills should not exceed 10 per cent.

(iv) A concession of 50 per cent reduction in service tariffs for remittances will be given. The same may also be extended to collection of outstation bills/cheques.

(v) Table banks may honour small Fixed Deposit Receipts say upto Rs. 10,000/- of the Kashmiri migrants at the designated branches without verifying details from the branch of Origin against some indemnity bonds.

(vi) The following other existing concessions summarised below should continue:

(a) For term credits, the banks may adopt a flexible and pragmatic approach as regards debt-equity ratio, especially for small projects. Reschedulement of the repayment programme may also be allowed in deserving cases.

(b) The banks may review all irregular accounts within a timeframe of three months with a view to exploring the possibilities of regularising them through sanctioning additional working capital facilities.

(c) Period of realisation of bills purchased and advance bills for collection may be extended upto one month by Branch Managers.

(d) Liberal acceptance credit/L.C. facilities may be extended to facilitate purchases on credit. The margin for bank guarantees and inland letters of credit should not exceed 15 per cent, depending on merits of each case.

(e) The facility for transfer of bank accounts/funds maintained with their branches in the valley to some other designated/specified branch(es) outside the valley, at the request of their customers, may be continued with necessary safeguards so that unauthorised withdrawals or transfers are not encouraged. Similarly, banks may arrange to designate specific branches outside the Valley to receive instruments drawn on their branches in the Valley.

Proposal for National Power Grid

*286. SHRI PASUMPON THAKIRUTTINAN:

SHRI V. GOPALSAMY:

Will the Minister of POWER be pleased to state:

(a) whether there is any proposal under Government's consideration to have National Power Grid by Power Grid Corporation of Inida;

(b) if so, when it will be commissioned;

(c) what are the salient features of this grid;

(d) what is the number of power projects on completion which have been transferred so fari to Power Grid Corporation of India by NHPC and NTPC;

(e) what is the capacity of each of these power projects;

(f) what is the number of more power projects which are proposed to be transferred in the near future by NHPC and NTPC to Power Grid Corporation of India;

(g) what is the number of major power transmission lines which are being executed by the Power Grid Corporation of India, the details of each power lines and the progress made so far and date of commission of each power line; and

(h) what is the number of power line projects which are waiting for approval and the details of each such project such as the cost of project, nature of power line and also year of completion?